




Commonwealth of Kentucky
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Steven L. Beshear
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Secretary

TO: Members of Governor's Executive Cabinet
Agency Heads

FROM: Jonathan Miller, Secretary
Finance and Administration Cabinet (FAC) 

SUBJECT: Guidance on Procurement Requirements for the American Recovery and Reinvestment Act

DATE: May 11, 2009

On Tuesday, February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 ("ARRA"). ARRA funds are provided for several purposes including: preserving and creating jobs and promoting economic recovery; assisting those most affected by the recession; investing in transportation, environmental protection, and other infrastructure; and stabilizing state and local government budgets. ARRA funds are subject to unprecedented scrutiny, with specific requirements for transparency from both the federal government and the Commonwealth. Kentucky will receive approximately 3 billion dollars in ARRA funding. A breakdown of this funding is at: <http://kentuckyatwork.ky.gov/Pages/default.aspx>.

ARRA funds must be expended to achieve the purposes outlined above as quickly as possible, but consistent with prudent management. This correspondence gives initial general guidance to state agencies on procurement requirements imposed by the ARRA. Please review the attached information and share it with your administrative staff, grant administrators, procurement personnel, and any others in your agency who will be dealing with ARRA funds. We anticipate that more specific guidance will be forthcoming and we will share that as soon as it becomes available. Of course, each agency receiving ARRA funds will be responsible for identifying and complying with any additional requirements of the individual federal granting agencies.

It is very important to recognize that the ARRA procurement and reporting mandates apply to all projects/purchases using ARRA funds, regardless of the dollar amount. Accordingly, each agency must consider whether it is cost-effective (in terms of resources, time and effort), to use ARRA funds for small projects/purchases, because this will likely result in the agency being subject to additional requirements and more extensive reporting than normal.

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Finally, FAC encourages agencies to communicate anticipated projects/purchases using ARRA funds to the appropriate procurement office in FAC as soon as possible. Please contact Don Speer or Rose Caudle in the Office of Procurement Services (OPS) on non-construction procurement matters; and Paul Gannoe and Jennifer Linton in the Division of Engineering and Contract Administration (DECA) on construction-related procurement matters.

Attachment I: Initial Procurement Guidance on ARRA Requirements

Cc: Secretary Larry Hayes
State Agency Purchasing Directors